

THE OLD OAKS TOWNHOME ASSOCIATION, INC.,
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS OLD OAKS TOWNHOME ASSOCIATION, INC., DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (the "Declaration") is made this 13th day of August, 1998, by CENTEX HOMES, a Nevada general partnership, which has a mailing address of 650 East Algonquin Road, Suite 100, Schaumburg, Illinois 60173 ("Declarant")

WHEREAS, Declarant is the owner of that certain real estate situated in the City of Joliet, County of Will, State of Illinois legally described on the attached Exhibit "A" (the "Property");

WHEREAS, Declarant has heretofore constructed or is about to construct the Common Properties (as hereinafter defined),

WHEREAS, Declarant has subdivided, or intends to subdivide certain Lots (as hereinafter defined), and proposes to have said Lots and the underlying land submitted to the provisions of this Declaration and to offer the Lots and/or Dwelling Units (as hereinafter defined) constructed on the Lots and underlying land therein for sale;

WHEREAS, the Common Properties are intended to serve the residents of each of the Dwelling Units and Lots as well as the residents of any additional buildings which may hereafter be constructed on the Property; and

WHEREAS, Declarant deems it desirable for the efficient preservation of the value of the Property and of the improvements and amenities constructed thereon to create an agency for the purpose of maintaining and administering the Common Properties, and for the purpose of administering and enforcing the covenants, conditions and restrictions and collecting and disbursing the assessments and the charges hereinafter created, and has therefore caused, or will cause, to be

incorporated, under the laws of the State of Illinois, a not-for-profit corporation, the corporate title of which is The Old Oaks Townhome Association, Inc., or similar name, for the purpose of performing those functions hereinabove set forth

NOW THEREFORE, Declarant does hereby declare that the Property shall be transferred, held, sold, conveyed and occupied, subject to the covenants, restrictions, easements, charges and liens hereinafter set forth.

ARTICLE I
RECITALS, EXHIBITS AND DEFINITIONS

Section 1. Incorporation of Recitals The foregoing recitals are incorporated into this Declaration as if fully recited herein.

Section 2. Incorporation of Exhibits. The Exhibits attached to this Declaration and listed below are by this reference made a part of this Declaration:

- Exhibit "A": Property
- Exhibit "B": By-Laws
- Exhibit "C": Add—On Property

Section 3. Definitions. For the purpose of this Declaration, the following definitions shall control:

- (a) "Association" shall mean and refer to The Old Oaks Townhome Association, Inc., (or similar name) an Illinois not-for-profit corporation, and its successors and assigns.
- (b) "Board" shall mean and refer to the directors of the Association designated by Declarant or elected by the Owners, as the case may be, pursuant to the By-Laws.
- (c) "By-Laws" shall mean and refer to the By-Laws of the Association, a copy of which is attached hereto and made a part hereof as Exhibit "B" and by reference incorporated herein as if fully set forth
- (d) "City" shall mean and refer to the City of Joliet, State of Illinois, an Illinois municipal corporation, and its successors or assigns.
- (e) "Common Properties" shall mean and refer to all of that portion of the Property designated as Old Oaks, Unit 1 on the Old Oaks Townhome Plat of Subdivision or Recording Plat dated May 28, 1998, prepared by Rogina & Associates, Ltd. ("Plat of Subdivision") and recorded in Will County, Illinois on June 12, 1998 as Document No. R98-67425 or such other areas so designated in any Supplementary Declaration created

pursuant to the provision of Article X hereof, including without limitation all private roads, street lights, entranceway monuments, signage, markings or similar installations.

(f) "Declaration" shall mean and refer to the within instrument, which may sometimes be referred to in other documents as The Old Oaks Townhome Association, Inc , Declaration of Covenants, Conditions and Restrictions.

(g) "Dwelling Unit" shall mean and refer to a single residential housing unit constructed on the Property consisting of a group of rooms which are designated or intended for the exclusive use as living quarters.

(h) "Lot" shall mean and refer to those subdivided lots as set forth in the Plat of Subdivision or so designated in any Supplementary Declaration created pursuant to the provisions of Article X hereof.

(i) "Mortgage" shall mean and refer to a mortgage or trust deed owned and held by a Mortgagee.

(j) "Mortgagee" or other similar term shall mean and refer to a person, bank, savings and loan, insurance company, corporation, trust or other entity which owns and holds a mortgage or trust deed with respect to a Lot. A person or entity shall not qualify as a Mortgagee hereunder if such person is related to an Owner or such entity, whether a corporation, trust partnership or other entity, has majority ownership or control by an Owner or a party related to an Owner. For purposes of determining who is a party related to an Owner, a related party shall include, without limitation, a member of the Owner's immediate family, including, a spouse, child, parent, brother, sister, half-brother or half-sister or any ancestor or lineal descendant.

(k) "Owner" shall mean and refer to the person, persons or entities whose estates or interests individually or collectively aggregate fee simple absolute ownership of a Dwelling Unit and/or the underlying Lot and all family members, heirs, successors, assigns and/or contract purchasers of Owner, but excluding those who have an interest merely as security for the performance of an obligation. The term Owner shall include Declarant to the extent of the number of Lots owned by Declarant.

(l) "Property" shall mean and refer to the real estate hereinabove described or so designated in any Supplementary Declaration created pursuant to the provisions of Article X hereof.

ARTICLE II SITE PLAN

Section 1. Site Plan. Declarant, in accordance and in compliance with City requirements, has created a site plan for the development of the Property by the implementation

of which modern master planning objectives may be realized for the common good and enhancement of property values within the community. Each Owner shall be deemed to have acknowledged by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in any such deed or other conveyance, that Declarant has substantial interest to be protected with regard to assuring compliance with and enforcement of, the covenants, conditions, restrictions and reservations contained in this Declaration and any amendments or supplements thereto.

Section 2. Limitations on Subdivision. Nothing in this Declaration shall limit, and no Owner or the Association (including the Board) shall do anything to interfere with the right of Declarant to subdivide or resubdivide any portion of the Property owned by Declarant, to complete excavation and grading and construction of improvements on the Property or on the Common Properties, to alter the foregoing or Declarant's construction plans and designs, or to construct such additional improvements as Declarant deems advisable in the course of development of the Property so long as any portion of the Property is owned by Declarant. Such right shall include, without limitation, grading of the Property, and erecting, constructing and maintaining on the Property such structures and displays as may be reasonably necessary for the conduct of its business, construction of improvements and the sale, lease or other conveyance of Lots and/or Dwelling Units. Subject to Article XII, Section 9 hereof, this Declaration shall not limit the right of Declarant to establish on the Property additional licenses, easements, reservations and rights-of-way for itself, utility companies or other third parties, as may be reasonably necessary to the proper development and sale or transfer of all or portions of the Property; provided that Declarant's exercise of such rights does not adversely affect existing improvements located on any Lot, or adversely and materially impair the usability of the Lot by the owner of the Lot for its intended use as a single residential Lot, and if required or approved by the City, which approval shall not be unreasonably withheld by the City. Declarant need not seek or obtain the approval of the Association for any improvement constructed or placed by Declarant on any portion of the Property. All or any of the rights of Declarant in this paragraph and elsewhere in this Declaration may be assigned by Declarant.

Section 3. Right to Landscape. Notwithstanding the provisions of Article V, Section 1 with respect to the obligation of the Association to maintain the Common Properties, Declarant reserves for the entire term of this Declaration the right, at Declarant's cost and expense, to landscape the Common Properties, subject to the requirements of the City and other applicable laws, statutes, ordinances and regulations.

**ARTICLE III
MEMBERSHIP AND VOTING RIGHTS OF THE ASSOCIATION**

Section 1. Membership. Every Owner of a Lot which is a part of the Property shall, as a condition to holding fee simple title to any such Lot, be a member of the Association and shall remain as such so long as such individual or entity remains an Owner of a Lot. Upon the

termination of the interest of an Owner in a Lot, that individual's or entity's membership shall thereupon automatically terminate as to such Lot and shall transfer and inure to the Owner succeeding to the interest of such individual or entity. Membership shall be appurtenant to and may not be separated from the ownership of any Lot.

Section 2. Voting The Association shall have two (2) classes of voting membership

(a) Class A. Class A members shall be all Owners (except Declarant) and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

(b) Class B. The Class B member shall be Declarant and shall be entitled to three (3) votes for each Lot owned; provided, however, Declarant shall be entitled to only (1) vote per Lot upon the earliest to occur of the following events:

- (1) in the event all of the Add-On Property (as hereinafter defined) has been subjected to the terms of this Declaration, when seventy five percent (75%) of the Lots have been sold and conveyed by Declarant to purchasers ("75% Date");
- (2) in the event less than all of the Add-On Property has been subjected to the terms of this Declaration, five (5) years after the 75% Date, unless any portion of the Add-On Property is subjected to the terms of this Declaration after the 75% Date and prior to the expiration of the five (5) year period that, when including such portion of the Add-On Property, causes less than seventy-five percent (75%) of the then existing Lots to be sold and conveyed by Declarant to purchasers;
- (3) ten (10) years after the date the first Lot is conveyed by Declarant to a third party purchaser; or
- (4) upon written notice of election by Declarant sent to the Association as of the date specified in said notice.

ARTICLE IV

PROPERTY RIGHTS IN THE COMMON PROPERTIES AND OTHER EASEMENTS

Section 1. Members Rights of Enjoyment Subject to (i) the rights and remedies of Declarant, the Association and the City, and (ii) the covenants, conditions and restrictions, contained in this Declaration, each Owner shall have a right and easement in and to the Common

Properties in common with all other Owners and such rights and easements shall be appurtenant to and pass with the title to every Lot. Such rights and easements shall inure to the benefit of each Owner and each Owner's family, guests, invitees, and contract purchasers.

Section 2. Title to Common Properties. On or before the conveyance of the first Lot or Dwelling Unit to a third party purchaser, Declarant shall convey the Common Properties to the Association. After such conveyance, the Association shall own, hold, maintain and administer the same, and bear the cost thereof, for the uses and purposes and upon the terms and conditions set forth herein.

Section 3. Common Properties Easement. Subject to all of the covenants, conditions and restrictions contained herein, except for the obligation for payment of any assessments hereunder or the payment of any other fees for the maintenance of the Common Properties, there is hereby created a non-exclusive perpetual easement upon, over and in the Common Properties, for the benefit of the Owners, for the use and enjoyment of the Common Properties.

Section 4. Maintenance Easement. There is hereby created in favor of Declarant and the Association a nonexclusive perpetual easement upon, across, under, over and through the Property, for ingress, egress, installation, replacement, repair and maintenance of the Property, Lots, including, but not limited to, the front yards and back yards of every Lot, and all Dwelling Units, additions, structures and other improvements located on or under the Property or a Lot; provided, however, that no such easement shall exist upon, across, under, over and through those portions of the Property upon which are located the base building foundation and other approved physical improvements or additions to a Dwelling Unit including, without limitation, patios, decks, steps and sheds. By virtue of this easement, it shall be expressly permissible for the Association or Declarant, if so directed by the Association, to maintain, replace or repair, as applicable, the Property, the Lots, the exterior of the Dwelling Units, structures and all other improvements located on a Lot or the Property, to the extent required hereunder including, without limitation, painting, lawn care, snowplowing and exterior maintenance and repair; provided, however, except as expressly set forth in Article V, Section 2 hereof, neither Declarant nor the Association shall have any obligation for the maintenance, repair and/or replacement of any Dwelling Units, additions, structures or other improvements on or under a Lot.

ARTICLE V MAINTENANCE OBLIGATIONS

Section 1. Common Properties. It shall be the sole responsibility of the Association to maintain and, after conveyance by Declarant, own, operate and maintain the Common Properties. Without limiting any other term or condition of this Declaration, the obligation to own, operate and maintain the Common Properties shall include the cost and obligation to maintain, repair and replace the private streets, street lights, entranceway monuments and related items. Each Owner's deed shall state the Owner's liability for maintenance of the Common

Properties; provided, however, whether or not such deed shall contain such statement, each Owner shall bear his or her proportion of responsibility and cost for the continued maintenance, operation and preservation of the Common Properties, both on the surface and underground

Section 2. Additional Association Obligations. The Association shall also be solely responsible for the maintenance, repairs, and/or replacement of the following on or relating to the Property:

(a) insurance on each Dwelling Unit in the full replacement cost thereof consisting of, or providing all the protections afforded by, the insurance now generally described as fire, extended coverage, with additional extended coverage, vandalism and malicious mischief, as well as comprehensive public liability insurance, including liability for injuries to and death of persons, and property damage, in such limits as it shall deem desirable, and other liability insurance as it may deem desirable, insuring the Association from liability in connection with the ownership and/or use of the Property. The Association may also obtain such other kinds of insurance as the Association shall from time to time deem desirable;

(b) all standard vegetation, lawns, landscaping, berms, fencing and path-ways or walkways, if any, on the Property planted or installed by Declarant or the Association, including, but not limited to, all landscaped areas within any rights-of-way, if any, that have been dedicated to the City;

(c) except as provided in Article V, Section 3, the exterior of the Dwelling Unit including, without limitation, periodic painting, caulking and the maintenance, restoration, replacement and repair of the roofs, masonry, if any, siding, chimneys and trim of the Dwelling Units;

(d) all driveways and sidewalks located in the front of each Lot (including snow removal on all driveways and sidewalks located in the front of each Lot), front yards and back yards located on a Lot.

(e) any property owned or leased solely by the Association; and

(f) such other items as the Association may hereinafter deem appropriate, including, without limitation, planting, landscaping or improving any part of the Property adjacent to the Lots.

Section 3. Owner Obligations. Each Owner shall be responsible for the maintenance, repairs and/or replacement of the following on such Owner's respective Lot:

(a) insurance on Owner's personal property and belongings and comprehensive public liability insurance, including liability for injuries to and death of persons, in such limits as Owner deems desirable.

(b) if permitted by the Board to be planted or installed, all special, unique or other vegetation, landscaping, berms, fencing, if any, on a Lot planted or installed by an Owner,

(c) all decorating and furnishings within each Owner's Dwelling Unit, including painting, wallpapering or other wall covering, washing, cleaning, paneling, floor covering, draperies, window shades, curtains, light fixtures and other furnishings and interior decorating, and any window coverings, whether by draperies, shades or other items visible on the exterior of the Dwelling Unit, shall be subject to the rules and regulations of the Board,

(d) maintenance of the interior surfaces of all perimeter walls of each Owner's Dwelling Unit and the surfaces of all floors, ceilings and stairways therein;

(e) the interior and exterior surfaces of all doors and windows of the Dwelling Units, and other improvements on a Lot, including patios; and

(f) such other items as the Association may hereinafter deem appropriate.

Section 4. Additional Owner's Obligations. Notwithstanding anything stated herein to the contrary, in the event any property, building or other item which it is the obligation of the Association to maintain is damaged or destroyed by the negligent or willful acts or omissions of any Owner, it shall be such Owner's obligation to promptly repair or replace such property, building or other items to the same condition as existed prior to such damage or destruction.

Section 5. Proceeds Used for Restoring. If an entity that is a Federal Agency or is Federally Related is insuring, guaranteeing or holding the mortgage encumbering a Dwelling Unit, then, in the event of damage or destruction of such Dwelling Unit, such entity shall allow the proceeds of any insurance required under Article V, Section 3 hereof to be utilized in restoring the Dwelling Unit to the condition in which it was prior to the damage or destruction.

ARTICLE VI PARTY WALL AGREEMENT

Section 1. Party Walls. The common walls and the foundations thereof located along or in immediate proximity to any line separating one Dwelling Unit from another Dwelling Unit as shown on the Plat of Subdivision and which is on file with the County Recorder of Deeds and the City, together with any horizontal or vertical extensions of said walls along said lines which may be constructed at any time in the future, shall be and remain party walls (individually and collectively "Party Walls"). To the extent not inconsistent with the provisions of this Article, the general rules of law in the State of Illinois regarding party walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

Section 2. Easement. Each Owner sharing Party Walls with the Owner of the adjoining Dwelling Unit hereby grants, bargains, sells, conveys and warrants unto the Owner of

the adjoining Dwelling Unit, its successors and assigns, a perpetual, non-exclusive easement to use and maintain the Party Walls. Neither Owner may use the top surface of the Party Wall to the exclusion thereof by the Owner of the adjoining Dwelling Unit.

Section 3 Use Each Owner shall have the right to use the side of any Party Wall adjacent to or facing its property for attaching structural and finishing material thereto, and shall have the right to keep, maintain, repair and replace therein all conduits, pipes and ducts originally located therein and all replacements thereof. No Owner shall make any openings or cuts in said Party Walls without the prior written consent of the Owner of the adjoining Dwelling Unit, which consent shall not be unreasonably withheld. Each Owner shall have the right of access to the other side of the Party Walls for the purpose of anchoring attachments or causing repairs to be made to said Party Walls, provided, that such access for such purposes will be done so as to cause minimal disruption to the Owner of the adjoining Dwelling Unit, provided, further, that such Owner give reasonable notice to the Owner of the adjoining Dwelling Unit prior to such access.

Section 4. Maintenance. The cost of maintaining and repairing each Party Wall and any extensions or additions used by both Owners of the adjoining property shall be shared equally by the Owners of such properties; provided however, the responsibility and cost of maintenance of an extension or addition used solely by one Owner shall be borne by that Owner. Repairs to a Party Wall shall be performed by either Owner upon a reasonable determination by either Owner that such are necessary for the safety and continued use of such Party Wall.

Section 5. Destruction by Fire or Other Casualty. In case of destruction of all or any part of any Party Wall by fire or other casualty, the Party Wall shall be reconstructed. Either Owner may reconstruct the Party Wall, and shall have an easement over the adjoining Dwelling Unit for purposes of making such reconstruction. The cost of reconstruction shall be divided equally between the Owners, subject to the right of either Owner to call for a larger contribution from the other Owner under any rule of law regarding liability for negligent or willful acts or omissions.

Section 6. Right to Contribution Runs with the Lot. The right of either Owner to contribution from the other Owner under this Article shall be appurtenant to the Lot and shall pass to such Owner's successors in title, shall constitute a lien upon the Lot until paid, and shall run with the Lot and bind the parties and their heirs and successors in title.

Section 7. Mechanics' Liens. Each Owner of a Dwelling Unit agrees to indemnify and hold harmless the Owner of the adjoining Dwelling Unit for any mechanics' liens arising from work done or material supplied to make repairs or replacements for which the first-mentioned Owner is responsible.

Section 8 Arbitration. In the event of a disagreement between Owners of adjoining Dwelling Units with respect to their rights or obligations as to Party Walls, upon written request

of either of said Owners, the matter shall be submitted to the Board, and its decision as to the outcome of such matter shall be final and binding.

ARTICLE VII COVENANT FOR ASSESSMENTS

Section 1. Creation of Lien and Personal Obligation for Assessments Declarant, for itself and its successors and assigns, and each Owner by the acceptance of a conveyance of any portion of the Property, whether or not it shall be so expressed in any deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (i) annual assessments or charges; and (ii) special assessments for capital improvements or other purposes, such annual and special assessments being fixed, established and collected, from time to time, as hereinafter provided. The annual and special assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the Property and shall be a continuing lien upon the Lot or portion of Property, and improvements against which or with respect to which such assessment is made. Each such assessment together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal, joint and several, obligation of the person, persons or entities who was or were the Owner of such portion of the Property at the time the assessment was due and payable. No Owner may waive or otherwise escape liability for the assessments provided for herein by abandonment of such Owner's Lot. No sale or transfer shall relieve any Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 2. Purpose of Assessments. The annual assessments and any special assessments levied by the Association shall be used exclusively for those matters stated in Article V, Section 2 hereof, for the purpose of promoting the health, safety and welfare of the residents on the Property, and, in particular, for the administrative and management expenses of the Association and for the improvement and maintenance of properties, services, and facilities devoted to the purpose of, and related to, the use and enjoyment of the Common Properties as stated herein, including, without limitation, the payment of taxes, utilities and insurance thereon, the repair, replacement, maintenance, security and operation thereof, construction of additions thereto, the cost of labor, equipment, materials, management and supervision thereof and the establishment of reserve accounts for future needs pursuant to the By-Laws.

Section 3. Basis of Assessments. The Association shall, in accordance with the By-Laws, fix the assessment at such amount as the Association estimates to be necessary to meet the expenses of the Association and shall notify each Owner of such Owner's proportionate share thereof. Such amounts shall be due from and payable by each Owner at such times as the Board shall reasonably determine.

Section 4. Date of Commencement of Assessments. Each Owner shall commence to pay such Owner's proportionate share of the assessment on the date on which such Owner

purchases and takes title to a Lot. The assessment with respect to any Lot shall be adjusted according to the number of months remaining in the period for which the assessment is applicable following such commencement and shall be payable upon the purchase of a Lot or in installments as determined by the Board in its sole discretion. In the event Declarant has previously paid to the Association all or any portion of the amount of such Owner's proportionate share of the assessment, such amount shall be refunded to Declarant within ten (10) days after the date on which such Owner purchases and takes title to a Lot.

Section 5. Initial Assessments. Upon the purchase of a Lot, each Owner (other than Declarant) shall pay to the Association an initial assessment equal to two months of the annual assessment established from time to time by the Association, as an initial working capital reserve to be deposited with the general funds of the Association. Said payment shall be deemed to be the property of the Association and shall not be refundable or applied as a credit against any subsequent assessments. No Owner shall have any vested or other rights with respect to any such payments.

Section 6. Subsequent Assessments. If the Board deems it necessary or appropriate, it shall, from time to time, estimate the total amount which will be required during any period designated by the Board for (i) the matters specified in Section 2 of this Article VII, and (ii) a reserve for contingencies, replacements, extraordinary expenditures and similar matters (the "Cash Requirement"), and shall notify each Owner in writing of such amount, with reasonable itemization thereof, and containing each Owner's respective assessment therefor. Said Cash Requirement shall be assessed to the Owners of each Lot by utilizing the following percentage for each such lot: 1/Total Number of Lots on the Property (excluding those specified in Section 11 of this Article VII). On or before the twentieth (20th) day after the delivery of the foregoing notice, each Owner, jointly and severally, shall be personally liable for and obligated to pay the Board the assessments made pursuant to this Section 6. If the Cash Requirement proves inadequate for any reason for the period so designated by the Board, then the Board shall prepare a supplemental budget covering the estimated deficiency, copies of which shall be furnished to each Owner, and thereupon a separate assessment shall be made to each Owner for its proportionate share of such supplemental budget, which shall be due and payable on the date specified in the notice of the adjusted assessment. All Owners shall be personally liable for and obligated to pay their respective adjusted assessment. If the Cash Requirement accumulated in any given year exceeds the amount required for actual expenses and reserves for the period covered by the assessment, such excess shall be applied to expenses and/or reserves for the subsequent period. Notwithstanding the foregoing, the approval of at least two-thirds of each class of members at a meeting called for that purpose with at least sixty percent (60%) (or, if sixty percent (60%) do not attend the first meeting, a second meeting called with at least thirty percent (30%)) of the Owners or their proxies present after notice as provided in the By-Laws is required for an increase in the annual maximum assessment or the levying of a special assessment, provided, however, the Board shall have the power to increase the maximum annual assessment without a vote of the members, so long as such increase does not exceed ten percent (10%) of the previous year's maximum assessment.

Section 7 Status of Collected Funds All funds collected hereunder shall be held and expended by the Association for the purposes designated herein

Section 8. Remedies for Failure to Pay Assessments Each Owner shall pay its proportionate share of any Cash Requirement and any other expenses required pursuant to the terms hereof. If an Owner fails to pay the assessments, adjusted assessments or any other expenses required to be paid hereunder when due, the amount thereof, together with all costs and expenses incurred by the Association in collecting said amounts (including court costs and attorneys' fees) and all damages, together with interest on the foregoing assessments, costs and expenses at the greater of. (a) the rate of six percent (6%) per year, and (b) the maximum rate permitted by an entity that is a Federal Agency or is Federally Related that is insuring, guaranteeing or holding the mortgage encumbering a Dwelling Unit, until paid, shall be charged to and assessed against such defaulting Owner, and the Association shall have a lien, as of the date the assessment, adjusted assessment or other expense is due, for all of the same upon the Lot owned by such defaulting Owner and upon all additions and improvements to said Lot. In addition to the foregoing, the Association shall have such rights and remedies to enforce the collection of the foregoing amounts as shall be provided or permitted by law or equity from time to time, including, without limitation, the right to bring an action at law against the Owner personally obligated to pay the same and/or foreclose the lien against the Lot and any additions or improvements thereon.

Section 9. Subordination of Lien to a Mortgage. Notwithstanding anything to the contrary contained in this Declaration, the lien provided in the preceding Section 8 shall be subordinate only to (i) taxes, special assessments and special taxes levied, either before or after the date of the failure to pay the assessments or expenses provided herein, by any political subdivision or municipal corporation of Illinois and other state or federal taxes which by law are a prior lien on the interest of such Owner, and (ii) the lien of a Mortgage on the interest of the Owner in any such Lot.

Notice is hereby given to all mortgagees that paid assessment letters should be obtained from the Association before funding your loan.

Section 10. Exempt and Partially-Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein:

(a) All properties not otherwise comprising a Lot which are dedicated to and accepted by a local public authority or public utility company;

(b) Any other term of this Declaration notwithstanding, all properties not otherwise comprising a Lot which are dedicated to and accepted by the City shall not be subject to the terms and conditions of this Declaration.

Section 11. Books and Records. The Board shall keep full and correct books of account in chronological order of the costs and expenses incurred by the Association as provided

herein, together with all receipts and invoices relevant thereto. Such records, receipts and invoices, as well as a copy of this Declaration and the Articles of Incorporation of the Association, shall be available for inspection by the Owner or any Mortgagee at the office of the Association, if any, at such reasonable time(s) during normal business hours as may be requested by the Owner or Mortgagee.

Section 12. Fees for Services. Pursuant to those powers set forth in the By-Laws, the Association shall have the right to hire or employ a management or other professional organization to manage the day-to-day operations of the Association and other professionals and service providers including, without limitation, accountants and attorneys.

ARTICLE VIII
SPECIFIC COVENANTS, CONDITIONS AND RESTRICTIONS
RELATING TO THE PROPERTY

Section 1. Covenants, Conditions and Restrictions. The Dwelling Units and the Property shall be owned, occupied and used subject to the following covenants and restrictions:

(a) General Use. No part of the Property shall be used for other than housing and related common purposes for which the Property was designed.

(b) Obstruction of the Property and Dwelling Unit Maintenance. There shall be no obstruction of the Property nor shall anything be stored in the Property without the prior written consent of the Board except as herein expressly provided. Each Owner shall be obligated to maintain and keep in good order and repair his own Dwelling Unit.

(c) Prohibited Use. Nothing shall be done or kept in any Dwelling Unit or in the Property that will increase the rate of insurance on the Lot or contents thereof, applicable for residential use, without the prior written consent of the Board. No Owner shall permit anything to be done or kept in his Dwelling Unit or in the Property that will result in the cancellation of insurance on the Lot or contents thereof or which would be in violation of any law. No waste shall be committed in the Property. No Owner shall overload the electric wiring in the Dwelling Unit, or operate any machines, appliances, accessories or equipment in such manner as to cause, in the judgment of the Board, an unreasonable disturbance to others or connect any machines, appliances, accessories or equipment to the heating or plumbing system, without the prior written consent of the Board. No Owner shall make any physical improvements or additions to a Dwelling Unit or a Lot, including, without limitation, patios, decks, screens, steps, sheds, pathways, sidewalks, special, unique or other vegetation, landscaping, berms and fencing, without the prior written consent of the Board.

(d) Owner's Insurance. All Owners shall be responsible for their own insurance on their personal property in their own Dwelling Units, their personal property stored

elsewhere on the Property and their personal liability insurance to the extent not covered by the liability insurance for all the Owners obtained by the Board as hereinbefore provided.

(e) Exterior Attachments. To the extent not otherwise inconsistent with applicable federal, state or city law, regulation or ordinance, Owners shall not cause or permit anything to be placed on the outside walls of the Dwelling Units and no sign, awning, canopy, shutter, satellite dish, radio or television antenna shall be affixed to or placed upon the exterior walls or roof or any part thereof, without the prior written consent of the Board.

(f) Exterior Colors. Owners shall not change or cause to be changed the exterior colors of the Dwelling Units without the prior written consent of the Board

(g) Pets. No animals, reptiles, rabbits, livestock, fowl or poultry of any kind shall be raised, bred or kept in any Dwelling Unit or in the Property, except that dogs, cats, or other household pets may be kept in Dwelling Units, subject to rules and regulations adopted by the Board, provided they are not kept, bred or maintained for any commercial purpose, and provided further any such pet causing or creating a nuisance or unreasonable disturbance shall be permanently removed from the Property upon three (3) days written notice from the Board.

(h) Swimming Pools. No permanent or temporary built-in or above ground swimming pools shall be located on any Lot, however, a temporary, removable children's pool may be placed and maintained on a daily basis on any patio on a Lot.

(i) Nuisances. No noxious or offensive activity shall be carried on in any Dwelling Unit or in the Property, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Owners or occupants.

(j) Unsightliness. No clothes, sheets, blankets, laundry or any kind of other articles shall be hung out or exposed on any part of the Property. The Property shall be kept free and clear of rubbish, debris and other unsightly materials. No temporary or permanent chairs, hammocks, blankets or other lounging devices may be located within or on those portions of the Property which directly face or are contiguous to a public street.

(k) Commercial Activities. Except as otherwise provided herein no industry, business, trade, occupation or profession of any kind, commercial, religious, educational, or otherwise, designated for profit, altruism, exploration, or otherwise, shall be conducted, maintained or permitted in any Dwelling Unit.

(l) Signs. Except as specifically set fourth in this Declaration, no signs, advertising or other displays shall be maintained or permitted on any part of the Property except (i) one (1) "For Sale" sign no larger than twenty four inches (24") high and thirty inches (30") wide, (ii) one (1) reasonably sized political sign displayed two (2) weeks before and one (1) week after any scheduled public election date or (iii) signs at such location and in such form, as

shall be determined by the Board, provided that the right is reserved by the Declarant and its agents, to maintain on the Property until the sale of the last Dwelling Unit, all models, sales offices and advertising signs, banners and lighting in connection therewith, at such locations and in such forms as Declarant shall determine, together with the right of ingress, egress and transient parking therefor throughout the Property.

(m) Property. Nothing shall be altered or constructed in or removed from the Property, without the prior written consent of the Board.

(n) Exceptions. Nothing herein contained shall be construed in such a manner as to prohibit Owners from: (i) maintaining their professional libraries therein; (ii) keeping their personal business or professional records or accounts therein; or (iii) handling their personal business or professional telephone calls, business or correspondence therefrom provided such business activities are in accordance with all applicable laws, regulations and ordinances and do not include personal visits to the Property from business employees, invitees or guests. Such uses are expressly declared customarily incident to the principal residential use and not in violation thereof.

(o) Leasing of Dwelling Units. Any lease or rental agreement concerning an individual Dwelling Unit must be in writing and be subject to the requirements of the Association. No Dwelling Unit may be leased or rented for an initial term of less than six (6) months. A copy of each executed lease or rental agreement shall be supplied to the Board within ten (10) days after the lease is executed and prior to occupancy.

ARTICLE IX REMEDIES

In addition to the rights set forth elsewhere in this Declaration, each of the covenants, conditions, restrictions and easements contained in this Declaration shall be enforceable at law and/or in equity by the Association and/or the City; provided, however, in the event of a breach or violation of any such covenant, condition, restriction or easement, there shall be no forfeiture or reversion of title; provided further, however, failure to enforce any of the foregoing matters shall in no event be deemed a waiver of the right to do so thereafter. Notwithstanding the foregoing, the provisions of this Article IX shall not apply to the terms and conditions of Article VII (Covenant For Assessments) of this Declaration, which Article contains separate remedies.

ARTICLE X
ADD-ON PROPERTY

Declarant hereby reserves the right, for a period of ten (10) years from the date hereof, to add certain additional property legally described on Exhibit "C" attached hereto and made a part hereof (the "Add-On Property") to the Property presently designated in this Declaration. In the event Declarant elects, from time to time, to subject all or any portion of the Add-On Property to the provisions of this Declaration, Declarant shall record a supplementary declaration ("Supplementary Declaration") setting forth, among other items, the legal description of any such additional property. All such Supplementary Declarations, and the portion of the Add-On Property covered therein, shall be subject to the terms and conditions of this Declaration, and all voting rights and the liability for assessments specified in this Declaration shall be reallocated accordingly. The recording of a Supplementary Declaration shall not alter or affect the amount of any liens for assessments due from Owners of Lots already a part of the Property ("Existing Lots") or the respective amounts theretofore assessed to or due from the Owners of Existing Lots or other fees and charges theretofore assessed.

Declarant further reserves unto itself the right to add portions of the Add-On Property to the Property at different times (and to determine the order thereof), and to fix the boundaries of said portions of the Add-On Property. Any Supplementary Declaration may contain such additions and modifications to the terms hereof, including, without limitation, the granting of additional easements over Lots and designation of additional Common Properties, as are necessary to reflect the differences in character, if any, of the Add-On Property and the Property. The terms and provisions of this Article X shall not be construed as imposing upon Declarant an affirmative obligation to exercise the rights and powers herein reserved. The Add-On Property shall not be bound hereby unless and until said property is submitted to the provisions of this Declaration by a Supplementary Declaration.

Notwithstanding anything contained in this Article X, Declarant shall not have any right to record a Supplementary Declaration with respect to any portion of the Add-On Property, and no portion of the Add-On Property shall be subject to the terms and provisions of this Declaration, unless and until Declarant shall have acquired fee title ownership of the same, and neither this Declaration, nor any attempt to record any such Supplementary Declaration shall encumber or otherwise affect title to any portions of the Add-On Property not so acquired by Declarant.

ARTICLE XI
RIGHTS OF DECLARANT

Section 1. In General. In addition to any rights or powers reserved or granted to Declarant under this Declaration or the By-Laws, Declarant shall have the rights and powers set forth in this Article. In the event of a conflict between the provisions of this Article and any

other provisions of this Declaration or the By-Laws, the provisions of this Article shall govern. Except as otherwise provided in this Article, Declarant's rights under this Article shall terminate at such time as Declarant is no longer vested with or controls title to a portion of any Dwelling Unit

Section 2 Promotion Efforts At all times and from time to time prior to the sale of the last Dwelling Unit on the Property, Declarant shall have the right, in its discretion, to maintain on the model Dwelling Units, sales and leasing offices, displays, signs and other forms of advertising and, to the extent not prohibited by law, to come upon any portion of the Property for the purpose of showing the Property to prospective purchasers or lessees of Dwelling Units, all without the payment of any fee or charge whatsoever. Declarant shall have the right and power to sell or lease a Dwelling Unit to whomever it chooses on whatever terms it, in its sole discretion, shall deem appropriate.

Section 3. Special Amendment In addition to any other rights of Declarant set forth herein, Declarant reserves the right and power to record a special amendment ("Special Amendment") to this Declaration at any time and from time to time which amends this Declaration (a) to comply with the requirements of any entity that is a Federal Agency or is Federally Related and is insuring, guaranteeing or holding a mortgage on a Dwelling Unit, (b) to induce any of such agencies or entities to make, purchase, sell, insure or guarantee first mortgages covering Dwelling Units, or (c) to correct clerical or typographical errors in this Declaration or any Exhibit hereto or any supplement or amendment thereto. In furtherance of the foregoing, an irrevocable power coupled with an interest is hereby reserved and granted to Declarant to vote in favor of, make, consent to, execute and record a Special Amendment on behalf of each Owner as proxy or attorney-in-fact, as the case may be. Each deed, mortgage, trust deed, other evidence of obligation, or other instrument affecting a Dwelling Unit and the acceptance thereof shall be deemed to be a grant and acknowledgment of Declarant's authority to execute and record Special Amendments. The right of Declarant to act pursuant to rights reserved or granted under this Section shall terminate upon the latest date on which the initial membership meeting of the Owners must be held, whether or not it has actually been held.

Section 4. Construction Declarant, its agents and contractors shall have the right to come upon the Property for the purpose of making alterations or improvements to the Property and shall have the right to store equipment and materials used in connection with such work on the Property without payment of any fee or charge whatsoever.

Section 5. Dedication Rights Reserved. Declarant hereby reserves the right at its sole discretion to dedicate or otherwise convey portions of the Property (but not those portions on which a Dwelling Unit is situated) to any public agency or governmental authority or quasi-public utility for purposes of utilities, and right-of-way and easements therefor. The right to make such dedications or conveyances shall not require the consent, approval or signatures of either the Board or any Owner, and such dedication or conveyance shall be considered fully accomplished and conclusively binding upon each of the Owners and upon the Association when

set forth in writing or in a plat of dedication executed by Declarant which has been recorded in the Office of the Recorder of Deeds of Will County, Illinois; provided, however, that nothing in this Section shall be construed to in any manner require or obligate Declarant to make any conveyance or dedication

In furtherance of the foregoing, an irrevocable power coupled with an interest is hereby granted to Declarant, as agent and attorney-in-fact to make dedications or conveyances. Each deed, mortgage, trust deed or other instrument with respect to a Dwelling Unit and the acceptance thereof shall be deemed a grant and acknowledgment of and consent to such power and to said attorney-in-fact and shall be deemed to reserve to it the foregoing powers and rights. This right shall expire upon the sale of all the Dwelling Units.

ARTICLE XII GENERAL PROVISIONS

Section 1. Severability. Each covenant, condition, restriction and easement contained herein shall be considered to be an independent and separate right or obligation, and in the event one or more of such covenants, conditions, restrictions or easements shall for any reason be held to be invalid or unenforceable, all remaining covenants, conditions, restrictions and easements shall nevertheless remain in full force and effect.

Section 2. Binding Upon the Land. Unless otherwise expressly provided herein, each covenant, condition, restriction and easement set forth in this Declaration shall run with the land and shall be binding upon each and all of the record titleholders of said land and their respective heirs, representatives, successors, assigns, purchasers, grantees and mortgagees. By the recording or acceptance of a deed conveying any interest in the Property, the individual or entity to whom such interest is conveyed shall, except as otherwise provided in this Declaration, be deemed to accept and agree to be bound by and subject to all of the terms and provisions of this Declaration, whether or not mention thereof is made in said deed, except that with respect to the Add-On Property, the covenants, conditions, restrictions and easements set forth in this Declaration or in any Supplementary Declaration shall run with the land and become binding on the record titleholders thereof (and their respective heirs, representatives, successors, assigns, purchasers, grantees and mortgagees) only upon the recording of a Supplementary Declaration by Declarant after Declarant acquires fee title ownership of such Add-On Property.

Section 3. Notices. Each written notice permitted or required hereunder shall be deemed to be delivered on the date of personal delivery or on the date of deposit of such notice in the U.S. Mail, postage prepaid, addressed to such other party or parties.

Section 4. No Release. Wherever in this Declaration Declarant has reserved unto itself or the City any easement or easements, and rights thereunder, with respect to any part or all of the Property, the exercise or failure to exercise any or all of such rights shall in no event

release the Association or the Owners from the responsibilities otherwise imposed on such parties in any covenant, condition, restriction or provision set forth in this Declaration

Section 5 Land Trust In the event title to any Lot is conveyed to a land trust, under the terms of which all powers of management, operation and control of the Lot remain vested in the trust beneficiary or beneficiaries, then the beneficiary or beneficiaries thereunder from time to time shall, jointly and severally, be responsible for the payment of all obligations, liens or indebtedness and for the performance of all agreements, covenants and undertakings relating to or chargeable against any such Lot, and shall be deemed to be the Owner as that term is used herein. No claim shall be made against any such title holding trustee personally for payment of any lien or obligation hereunder created, but the amount of such lien or obligation shall continue to be a charge or lien upon the Lot and the beneficiary or beneficiaries of any such trust shall remain personally liable for any such amounts.

Section 6. Headings. The headings contained in this Declaration are for convenience only and shall not in any way affect the meaning or interpretation of this Declaration.

Section 7. Duration. The covenants, conditions and restrictions contained in this Declaration shall continue in full force and effect for a period of ninety-nine (99) years commencing on the date hereof.

Section 8. Rule Against Perpetuities. If and to the extent that any covenant, condition or restriction would otherwise be unlawful or void for violation of (i) the rule against perpetuities, (ii) the rule restricting restraints on alienation, or (iii) any other applicable statute or common law rule analogous thereto or otherwise imposing limitations upon the time for which such matters may be valid, then the provision in question shall continue and endure only until twenty-one (21) years after the death of the last to survive of the class of persons consisting of all the now living lawful descendants of George Bush, former President of the United States.

Section 9. Amendment. This Declaration, including, without limitation, the By-Laws, may be amended by the affirmative vote of the members holding 75% or more of the total votes then eligible to be cast by the members of the Association; provided, however, it is hereby understood that neither the Association, nor its Board, officers or members, may adopt, amend, repeal, alter or change this Declaration, the By-Laws of the Association, or any rules or regulations relating to the Association or this Declaration such that any said adoption, amendment, repealer, alteration or change adversely affects Declarant, Declarant's rights under this Declaration or Declarant's proposed development of the Property (as such proposed development currently exists or may hereinafter change). Notwithstanding the foregoing, this Declaration may be amended, modified, altered or repealed by Declarant at any time during the ten (10) year period after the date hereof; provided, however, no such amendment, modification, alteration or repealer shall be effective if it adversely affects the priority of the lien of any Mortgage. All amendments, repealers, alterations and changes to this Declaration and the By-Laws shall be recorded with the County recorder's office where the Property is located. For

purposes of this Section 9, a Supplementary Declaration shall not be deemed an amendment, alteration or repealer of this Declaration. Any other term of this Declaration notwithstanding, no provision of this Declaration which inures to the benefit of the City may be amended without the City's express written consent, which consent shall not be unreasonably withheld.

Section 10. Conflict In the event of any conflict between the terms and provisions of this Declaration, on the one hand, and any plat(s) of subdivision relating to Property or the By-Laws, on the other hand, the terms and provisions of the Plat(s) of Subdivision shall control.

Section 11. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land or the interest of any Owner to enforce any lien created by these covenants, and against the Association for failure to discharge its duties and responsibilities hereunder. The failure of the Association, Declarant, the City or any Owner to enforce any covenant or restriction herein contained, or exercise any rights or easements granted hereby, shall in no event be deemed a waiver of the right to do so thereafter. In the event that the City brings an action to enforce these covenants and restrictions, the City shall be entitled to an award of attorneys' fees and costs if it substantially prevail in any such action.

Section 12. Liability for Damage to Property. Each Owner shall be liable for the expense of any maintenance, repair, or replacement of any of the Property the Association is responsible to maintain rendered necessary by his act, neglect, or carelessness or by that of any Owner or his family or such Owner's guests, employees, agents, or lessees. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation. Neither Declarant nor any of its respective employees, agents, guests, invitees, successors or assigns shall be liable for any damage, loss, cost, liability or expense suffered or incurred by the Association, any Owner, any of their respective employees, agents, guests, invitees, successors, assigns or anyone claiming by, through or under any of them, for damage or injury to any person or property arising out of the use of the Property or actions incidental to the construction upon the Property; provided, however, that Declarant shall not be absolved of liability hereunder for its gross negligence or willful misconduct.

Section 13. Association Rules and Regulations. Subject to Article XII, Section 9 the Association shall have the authority, as it deems necessary, to adopt general rules and regulations to implement the purposes set forth in this Declaration, interpret the covenants, conditions and restrictions contained herein and in furtherance of the powers and duties set forth in the By-Laws. Such general rules and regulations may be amended in the same manner as provided herein for the amendment of this Declaration.

Section 14. Covenant in Event of Dissolution of the Association In the event the Association is dissolved, all Owners, and title holders of any portion of the Property agree that

R98-097096

all provisions contained herein regarding maintenance, repair, and replacement in, on or to the Property shall still apply and that this Declaration shall be in full force and effect.

Section 15. Interpretation. Whenever from the context it is appropriate, each term stated in either the singular or the plural shall include both the singular and the plural, and each term stated in either the masculine or feminine shall include both the masculine and feminine

WILL COUNTY
RECORDER

K98-091090

IN WITNESS WHEREOF, this Declaration is executed on the day and year first above written

DECLARANT:

CENTEX HOMES,
a Nevada general partnership

By: CENTEX REAL ESTATE CORPORATION, its
managing general partner

By: 

Name: Daniel L. Star

Its: Illinois Division President

This instrument prepared by
and after recording return to:

Shannon Walsh
McDermott, Will & Emery
227 West Monroe Street
Suite 3100
Chicago, Illinois 60606-5096
(312) 372-2000

WILL COUNTY
RECORDER

STATE OF ILLINOIS)
) SS.
COUNTY OF Cook)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Daniel L. Star, personally known to me to be the Illinois Division President of Centex Real Estate Corporation, the general partner of Centex Homes, a Nevada general partnership, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Division President of the General Partner, he signed, sealed and delivered said instrument as Division President of the General Partner of said partnership, pursuant to authority given by the partners of the partnership as his free and voluntary act, and as the free and voluntary act and deed of said partnership, for the uses and purposes therein set forth.

Given under my hand and official seal, this 13TH day of AUGUST, 1998.

Kathleen F. Sack
Notary Public

My Commission Expires: 01/05/02



Exhibit A

Property

All property included within Old Oaks Unit 1 according to the Plat of Subdivision dated May 28, 1998 prepared by Rogina & Associates, Ltd. and recorded on June 12, 1998 as Document No. R98-67425 with the Will County Recorder of Deeds

**WILL COUNTY
RECORDER**

100 001000

Exhibit C

Add—On Property

THE SOUTH 50 ACRES (EXCEPT THAT PART DEDICATED TO STATE HIGHWAY) OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 27, TOWNSHIP 36 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN WILL COUNTY, ILLINOIS.

**WILL COUNTY
RECORDER**

CENTEX HOMES

650 East Algonquin Road
Suite 100
Schaumburg, Illinois 60173
Phone (847) 925-4240
Fax: (847) 303-1470

April 14, 1999

Mr. Steve Heuberger
Villa Management, Ltd
800 s Milwaukee Avenue, #107
Libertyville, IL 60048

Re Old Oaks Townhome Association
Amendment #1 to the Codes, Covenants, and Restrictions

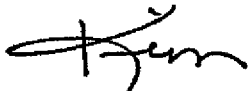
Dear Steve

I am enclosing for your records, a copy of the above referenced document that was recorded by the Will County Recorder on March 26, 1999 as Document No. R99039195.

If I can be of any further assistance, please do not hesitate to contact me.

Sincerely,

CENTEX HOMES



Kimberly A. Lang
Land Development Coordinator

Enclosure

Cc: OOTHA File

K99-039195

Mary Ann Stuebel
Will County Recorder
T.F. Fee:
R 99079195 Fee:

**FIRST AMENDMENT TO THE OLD OAKS TOWNHOME ASSOCIATION, INC.,
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

THIS FIRST AMENDMENT TO THE OLD OAKS TOWNHOME ASSOCIATION, INC., DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (this "Amendment") is made this 26th day of February, 1999, by CENTEX HOMES, a Nevada general partnership, which has a mailing address of 650 East Algonquin Road, Suite 100, Schaumburg, Illinois 60173 ("Declarant")

WHEREAS, Declarant has heretofore created and recorded the Old Oaks Townhome Association, Inc. Declaration of Covenants, Conditions and Restrictions dated the 13th day of August, 1998, and recorded with the Will County Recorder of Deeds on August 20, 1998 as Document No R 98097096 ("Declaration"); and

WHEREAS, under Section 9 of Article XII of the Declaration Declarant retains the right and power to amend, modify, alter, or repeal the Declaration so long as such amendment, modification, alteration, or repealer does not adversely affect the priority of the lien of any mortgage, and so long as such amendment, modification, alteration, or repealer does not relate to matters which inure to the benefit of the City of Joliet; and

WHEREAS, potential ambiguity may exist within the Declaration with respect to certain obligations of the Declarant; and

WHEREAS, Declarant does not believe the Declaration to be ambiguous, but desires to clarify and restate certain of its obligations without affecting the priority of any mortgage and without relating to any matter which inures to the benefit of the City of Joliet.

NOW THEREFORE, Declarant hereby amends, modifies, and alters the Declaration, within the ten (10) year period permitted by the Declaration, as follows:

- 1. The foregoing recitals are incorporated herein and made a part hereof
- 2. All terms used herein shall have the same meaning as set forth in the Declaration
- 3. Article VII of the Declaration is hereby amended by adding the following as Section 13:

“Section 13. Exempt Lots and Dwelling Units. Any other term of this Declaration notwithstanding, all Lots and Dwelling Units of which the Developer is the titleholder shall be exempt from the assessments, charges, and liens created in this Declaration. The foregoing exemption shall continue until such time as the Developer conveys any such Lot or Dwelling Unit to a purchaser, at which time the exemption created hereunder shall cease as to the conveyed Lot or Dwelling Unit only, and said Lot and Dwelling Unit shall thereafter be subject to all the terms and conditions of this Declaration.”

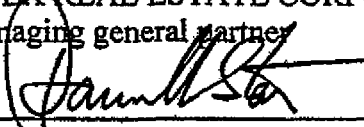
- 4. In all other respects the Declaration remains unamended and in full force and effect.

IN WITNESS WHEREOF, this Amendment is executed on the day and year first above written.

DECLARANT:

CENTEX HOMES,
a Nevada general partnership

By: CENTEX REAL ESTATE CORPORATION,
its managing general partner

By: 
Name: Daniel L. Star
Its: Illinois Division President

This instrument prepared by
and after recording return to

Fred I. Feinstein, P.C.
McDermott, Will & Emery
227 West Monroe Street
Chicago, Illinois 60606-5096
(312) 372-2000

STATE OF ILLINOIS)
) SS.
COUNTY OF Cook)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Daniel L. Star, personally known to me to be the Illinois Division President of Centex Real Estate Corporation, the general partner of Centex Homes, a Nevada general partnership, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Division President of the General Partner, he signed, sealed and delivered said instrument as Division President of the General Partner of said partnership, pursuant to authority given by the partners of the partnership as his free and voluntary act, and as the free and voluntary act and deed of said partnership, for the uses and purposes therein set forth.

Given under my hand and official seal, this 26 day of February, 1999.

Helen J. Leski
Notary Public

My Commission Expires: 3-5-2000

OFFICIAL SEAL
HELEN J LESKI
NOTARY PUBLIC, STATE OF ILLINOIS
COMMISSION EXPIRES 3-5-2000

R99-039195



CHICAGO TITLE INSURANCE COMPANY

ORDER NUMBER 1410 001347370 WB

STREET ADDRESS:

CITY

COUNTY: WILL

TAX NUMBER: 03-27-400-006-0000

LEGAL DESCRIPTION:

PARCEL 1:

LOTS 1 THROUGH 86, BOTH INCLUSIVE, IN OLD OAKS UNIT 1, BEING A PLANNED UNIT DEVELOPMENT OF PART OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 27, TOWNSHIP 36 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 12, 1998, AS DOCUMENT NUMBER R98-67425, WILL COUNTY, ILLINOIS.

PARCEL 2:

EASEMENT FOR THE BENEFIT OF PARCEL 1, AS CREATED BY DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS RECORDED AUGUST 20, 1998 AS DOCUMENT R98-97096 OVER THE COMMON AREA AS DEFINED IN SAID DECL.